Drilling Commences at Scaddan Lignite Project

WME to Outline Lignite Potential and Test for Gold and Base Metals at WA Project

KEY POINTS

- **Initial 2,000m aircore drilling program to commence early September**
- **Tenements 20km from 760Mt Scaddan Lignite Deposit (Blackham Resources)**
- **Historical BHP drilling and Tempest EM survey identifies extensions of the Scaddan paleaochannel into WME's tenements**
- **Broad 2km by 2km drilling pattern designed to scope potential for large resource amenable for use in coal-to-liquids industry**

International uranium company West Australian Metals Limited (ASX: **WME**) is pleased to advise that a program of aircore drilling will commence shortly on its 100%-owned tenements at **Scaddan**, located 70km north east of Esperance in Western Australia.

While the Company's main focus remains on the current aggressive drilling and exploration programs at its flagship Marenica Uranium Project in Namibia, Southern Africa, the Scaddan Project offers excellent potential to delineate a **significant lignite deposit**, as well as being prospective for uranium, gold and base metals.

The Scaddan tenements lie within 20km of the Scaddan Deposit, which is owned by ASX-listed resource company Blackham Resources Limited. Blackham Resources has delineated a large palaeochannel-hosted lignite deposit comprising an Indicated and Inferred Resource of 760Mt. The Project is at feasibility stage based on the proposed use of proven coal-to-liquids technology.

WME will initially undertake a 32-hole aircore drilling program at 2km by 2km spacing over the paleochannel, which is potentially an extension of the channel system hosting the Scaddan deposit.

Historical drilling by BHP on the tenements identified a broad zone of lignite and lignitic clay, typically 8 to 20 metres thick, over a 5km long traverse and beneath approximately 20 metres of cover. Interpretation of airborne EM data has clearly defined the extent and depth of the palaeochannel, and several low-order conductive bedrock targets. The Company considers that there is excellent potential to delineate similar mineralisation to that defined by Blackham given the size of the palaeochannel and historical drill data from logging.

The Scaddan tenements are also prospective for primary gold mineralisation and palaeochannel hosted uranium, associated with lignite horizons and gold. The underlying basement geology is part of the Albany-Fraser Orogen, which hosts the 4 million ounce Tropicana Gold deposit, owned by AngloGold Ashanti. Important geochemical data will be collected from the bottom-of-hole basement material and analysed for gold and base metals.

The Scaddan tenements are close to existing infrastructure including highway, railway, gas pipeline, airport and shipping at the Esperance deepwater port.

Initial testwork will be undertaken by HRL technology in Victoria to ascertain the quality of the lignite and its suitability for liquid conversion.

Notes

Information in this report that relates to exploration results is based on information compiled by Dr Erik van Noort, who is a Member of the Australian Institute of Geoscientists. Dr van Noort is a full-time employee of West Australian Metals Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr van Noort consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.